

**PHILIP MORRIS U.S.A.
MARLBORO PROFITABILITY**
(\$ millions)

	1995 ORIGINAL BUDGET		1994 ACTUAL		1993 ACTUAL		1992 ACTUAL	
	\$	PER M	\$	PER M	\$	PER M	\$	PER M
UNIT VOLUME	140,430		137,744		108,471		123,860	
MARGINAL CONTRIBUTION	\$4,754.2	\$33.85	\$4,663.6	\$33.86	\$4,294.7	\$39.60	\$5,397.1	\$43.57
DIRECT MARKETING								
BRAND PROGRAMS								
ADVERTISING							128.0	1.03
ADV. - MAINLINE	126.0	0.90	123.0	0.89	119.0	1.10		
ADV. - SPECIAL IMPACT UNITS	22.0	0.16	22.4	0.16	19.0	0.18		
SUBTOTAL ADVERTISING	148.0	1.05	145.4	1.06	138.0	1.27		
EVENTS	81.7	0.58	32.4	0.24	33.4	0.31	38.8	0.31
RETAIL PROMOTIONS	551.9	3.92	711.3	5.16	1,152.4	10.62	211.9	1.71
COUPONING	0.0	0.00	(10.0)	(0.07)	25.1	0.23	8.5	0.07
DIRECT	64.4	0.46	76.4	0.55	99.7	0.92	69.0	0.56
POS/ARTWORK	28.8	0.21	17.4	0.13	27.9	0.26	25.2	0.20
OTHER	8.8	0.06	(3.1)	(0.02)	3.7	0.03	6.6	0.05
	883.6	6.29	969.8	7.04	1,480.2	13.64	488.0	3.94
RETAIL SUPPORT	400.2	2.85	391.9	2.85	322.0	2.96	238.8	1.93
TOTAL DIRECT MARKETING	\$1,283.8	\$9.14	\$1,361.7	\$9.89	\$1,802.2	\$16.60	\$726.8	\$5.87
NET CONTRIBUTION	<u>\$3,470.4</u>	<u>\$24.70</u>	<u>\$3,301.9</u>	<u>\$23.96</u>	<u>\$2,492.5</u>	<u>\$23.00</u>	<u>\$4,670.3</u>	<u>\$37.71</u>
% CHANGE FROM PRIOR YEAR	5.1%	3.1%	32.5%	4.2%	-46.6%	-39.0%	9.2%	15.7%

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